

SIDLEY AUSTIN LLP
Thomas R. Califano (24122825)
Rakhee V. Patel (00797213)
2021 McKinney Avenue, Suite 2000
Dallas, Texas 75201
Telephone: (214) 981-3300
Facsimile: (214) 981-3400
Email: tom.califano@sidley.com
rpatel@sidley.com

SIDLEY AUSTIN LLP
William E. Curtin (admitted *pro hac vice*)
Patrick Venter (admitted *pro hac vice*)
Anne G. Wallace (admitted *pro hac vice*)
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-5300
Facsimile: (212) 839-5599
Email: wcurtin@sidley.com
pventer@sidley.com
anne.wallace@sidley.com

*Attorneys for the Debtors
and Debtors in Possession*

EVERSHEDS SUTHERLAND (US) LLP
David A. Wender
Texas Bar No. 24081945
999 Peachtree Street NE, Suite 2300
Atlanta, Georgia 30309
Telephone: (404) 853-8175
Facsimile: (404) 853-8806
Email: davidwender@eversheds-sutherland.com

*Counsel to The Centurion Foundation, Inc.
and Certain of its Affiliates*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PROSPECT MEDICAL HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-80002 (SGJ)

(Jointly Administered)

**JOINT NOTICE BY THE DEBTORS AND CENTURION REGARDING
THE TREATMENT OF CERTAIN AGREEMENTS AS CAPITAL LEASES
PURSUANT TO THE ASSET PURCHASE AGREEMENT**

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

On February 3, 2025, the Debtors filed a motion [Docket No. 349] (the “Sale Motion”),² pursuant to sections 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure, seeking entry of an order approving the sale of the Purchased Assets to The Centurion Foundation, Inc., CharterCARE Health of Rhode Island, Inc. and each of their successors and assigns (collectively, the “Buyer”), free and clear of all liens, claims, Interests and Encumbrances (such transaction, the “Transaction”). The Court entered an order approving the Sale Motion on February 12, 2025 [Docket No. 606] (the “Sale Order”).

On February 3, 2025, the Debtors filed the *Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Costs* [Docket No. 368] (the “Original Assumption Notice”). Attached thereto as Exhibit A was an initial list of those executory contracts and unexpired leases (collectively, the “Potentially Assigned Agreements”), which the Debtors may potentially assume and assign to the Buyer, along with the cure amounts, if any, that the Debtors believe must be paid to cure any prepetition defaults and pay all amounts accrued under the initial list of Potentially Assigned Agreements (the “Cure Amounts”).

On February 26, 2025, the Debtors filed the *Supplemental Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Costs* [Docket No. 799] (the “Supplemental Assumption Notice”). Attached thereto as Exhibit A was a supplemental list of additional executory contracts and unexpired leases (collectively, the “Supplemental List of Potentially Assigned Agreements”), setting forth the Cure Amounts related to such Potentially Assigned Agreements.

On May 17, 2025, the Debtors filed the *Second Supplemental Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Costs* [Docket No. 1986] (the “Second Supplemental Assumption Notice”). Attached thereto as Exhibit A was another supplemental list containing Potentially Assigned Agreements with their respective Cure Amounts (collectively, the “Second Supplemental List of Potentially Assigned Agreements”).

On May 31, 2025, the Debtors filed the *Third Supplemental Notice of (I) Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and (II) Cure Costs* [Docket No. 2153] (the “Third Supplemental Assumption Notice”) and together with the Original Assumption Notice, the Supplemental Assumption Notice, and the Second Supplemental Assumption Notice (the “Assumption Notices”), setting forth the third supplemental list of Potentially Assigned Agreements, and the related Cure Amounts, attached thereto as Exhibit A.

As stated in the Original Assumption Notice (as supplemented by the Supplemental Assumption Notice, the Second Supplemental Assumption Notice, and the Third Supplemental Assumption Notice), the inclusion of any contract or lease on the list of Potentially Assigned Agreements shall not constitute or be deemed to be a determination or admission by the Debtors that such contract or other document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (the “Assumption Reservation”), and all rights with respect thereto have been, and continue to be, expressly reserved.

² Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Sale Motion.

Attached hereto as **Exhibit A** is a list of agreements (the “Capital Leases”), relating to certain of the Debtors’ Personal Property, that (1) the Buyer contends are capital leases, financing arrangements, and/or conditional sale agreements and (2) as such (x) are not subject to assumption and assignment pursuant to section 365 of the Bankruptcy Code (despite certain Capital Leases being listed in the Assumption Notices) and (y) in accordance with the terms of the APA and the Sale Order are being sold free and clear of all Interests, claims, liens and Encumbrances.

In accordance with the above, and in furtherance of the Assumption Reservation, the Debtors and the Buyer hereby file this joint notice to notify counterparties of the Capital Leases that the Personal Property related thereto will be transferred to the Buyer, in accordance with the APA and the Sale Order, at the Closing of the Transaction.

[Remainder of Page Intentionally Left Blank.]

Dated: June 2, 2025
Dallas, Texas

/s/ Thomas R. Califano

SIDLEY AUSTIN LLP

Thomas R. Califano (24122825)
Rakhee V. Patel (00797213)
2021 McKinney Avenue, Suite 2000
Dallas, Texas 75201
Telephone: (214) 981-3300
Facsimile: (214) 981-3400
Email: tom.califano@sidley.com
rpatel@sidley.com

and

William E. Curtin (admitted *pro hac vice*)
Patrick Venter (admitted *pro hac vice*)
Anne G. Wallace (admitted *pro hac vice*)
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-5300
Facsimile: (212) 839-5599
Email: wcurtin@sidley.com
pventer@sidley.com
anne.wallace@sidley.com

*Attorneys to the Debtors
and Debtors in Possession*

and

/s/ David A. Wender

EVERSHEDS SUTHERLAND (US) LLP

David A. Wender
Texas Bar No. 24081945
999 Peachtree Street NE, Suite 2300
Atlanta, Georgia 30309
Telephone: (404) 853-8175
Facsimile: (404) 853-8806
Email: davidwender@eversheds-
sutherland.com

*Counsel to The Centurion Foundation, Inc. and
Certain of its Affiliates*

Certificate of Service

I certify that on June 2, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Thomas R. Califano

Thomas R. Califano